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**REMARKS/ARGUMENTS**

In the Office Action mailed October 29, 2007 (paper no. 20071015), the Examiner rejected claims 1, 4-20 and 22 under 35 U.S.C. §102(b) as being unpatentable over U.S. Patent 5,963,134 to Bowers, claims 2 and 3 under 35 U.S.C. §103(a) as being unpatentable over Bowers in view of U.S. Patent 5,380,047 to Molee, and claim 21 under 35 U.S.C. §103(a) as being unpatentable over Bowers in view of U.S. Patent 5,732,401 to Conway. These rejections are respectfully traversed.

**Rejections under 35 U.S.C. 102(b)**

Bowers fails to anticipate claims 1, 4-20 and 22 under 35 U.S.C. 102(b), as it fails to disclose each element of the claimed invention. Consider claim 1, which includes "an owner registration system receiving owner registration data after a buyer has acquired the item; and a buyer verification system receiving the authentication device data, the associated item data and the owner registration data and storing buyer verified data if the associated item data correlates to the owner registration data." The Examiner construes these limitations to cover col. 3, lines 30-34 of Bowers and col. 11, lines 17-22 of Bowers, but the cited sections of Bowers explicitly disclose that the articles of Bowers are borrowed, not purchased. Thus, under the plain language of the claim terms, Bowers fails to anticipate claim 1.

Similar problems exist as to claims 4-20 and 22. For example, claim 4 includes "an event verification system providing event verification data associated with the item while it was in use." Bowers simply fails to disclose event verification data associated with the item while it was in use, based on the plain meaning of the claim terms.

Claim 5 includes "a chain of custody system receiving purchase location data and determining whether chain of custody data exists for the item that ends at the purchase location." The Examiner cites to col. 1, lines 30-32 and col. 4, lines 11-15 of Bowers as allegedly disclosing this claim, but there is simply no chain of custody data disclosed in Bowers. In fact, the terms "chain" and "custody" are not even used in Bowers, and Bowers relates to a library system where there is no purchase being made.

Claim 6 includes an alert system generating an alert to an operator if the associated item data does not correlate to the owner registration data. The Examiner cites to col. 5, lines 43-45

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of Bowers as allegedly disclosing this claim, but it is clear that that section of Bowers relates to determining whether an item leaves a zone, and fails to disclose generating an alert to an operator if the associated item data does not correlate to the owner registration data.

Claim 7 includes an item transfer system receiving purchaser data from an owner and requesting confirmation from a purchaser based on the purchaser data. Again, the sections of Bowers relied on by the Examiner fail to disclose this claim, and instead relate to a system for checking books out of a library by a person that is borrowing the book.

Claim 8 includes a personage verification system receiving personage data and providing item data that corresponds to the personage data. The Examiner asserts that a patron identification device for identifying a patron to the system meets this claim limitation, but under the plain meaning of the claim terms, that assertion is incorrect.

Claim 9 includes "receiving owner registration data; and generating confirmation data if the owner registration data and the item description data are correlated to the authentication device data." Again, the sections of Bowers relied on by the Examiner relate to a library system for allowing borrowers to temporarily obtain a book or similar object on loan, are distinguishable from the claimed invention based on the plain meaning of the claim terms.

Claim 10 includes generating alert data if the owner registration data and the item description data are not correlated to the authentication device data. Again, the sections of Bowers cited by the Examiner merely relate to a system for determining whether an item has left an authorized area, and are distinguishable from the claim based on the plain meaning of the claim terms.

Claim 12 includes determining whether item description data provided with the owner registration data matches item description data associated with the authentication device data. Again, the library system of Bowers is distinguishable based on the plain language of the claims.

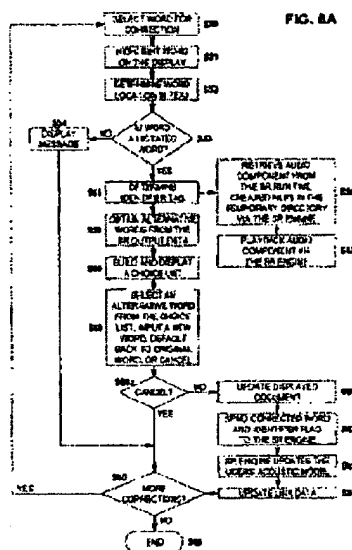
Claim 13 includes the method of claim 9 further comprising: receiving personage data associated with the item; and generating a report that includes the item data based on the personage data. Again, the library system of Bowers is distinguishable based on the plain meaning of the claim terms. It is noted that the Examiner construed "personage data" and "owner registration data" to be the same, contrary to controlling Federal Circuit law. *CAE Screenplates Inc. v. Heinrich Fiedler GmbH & Co. KG*, 224 F.3d 1308, 1317 (Fed. Cir. 2000) ("In the absence of any evidence to the contrary, we must presume that the use of these different terms in the

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claims connotes different meanings.”); *Applied Med. Res. Corp. v. U.S. Surgical Corp.*, 448 F.3d 1324, 1333 n.3 (Fed. Cir. 2006) (“[T]he use of two terms in a claim requires that they connote different meanings. . .”).

Claim 14 includes receiving item transfer data from a current owner; receiving transfer confirmation data from a prospective owner; and storing the prospective owner data as the owner registration data after receiving the transfer confirmation data. Again, the library system of Bowers is distinguishable based on the plain meaning of the claim terms. It is noted again that implicit constructions adopted by the Examiner result in different and clearly unrelated claim terms having the same meaning.

Claim 15 has been amended to invoke 35 U.S.C. 112(6), and include means for receiving owner registration data and item data; means for determining whether the item data matches stored item data; and means for storing the owner registration data. As noted by the Federal Circuit in *Allvoice Computing v. Nuance Comm.*, 504 F.3d 1236, 1245 (Fed. Cir. 2007), flowchart algorithms such as those in the pending application provide sufficient structure for such means plus function limitations. Of particular relevance, the flowchart algorithms reproduced in the Federal Circuit’s opinion are provided here for reference:



There is no structure in Bowers or any of the other cited art that correspond to the structures associated with the claimed means plus function limitations of claim 15.

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Claim 17 includes an authentication device attached to the item in a manner that allows the authentication device to be read by an authentication device reader and that generates an indication if the authentication device is removed from the item. The Examiner cites to a section of Bowers that allegedly discloses that a tag of Bowers is physically non-deactivatable, which is distinguishable from claim 17 based on the plain language of the claim terms.

Claim 18 includes an owner flagging system receiving flag data for the item and generating item transfer data. Again, the library system of Bowers is distinguishable based on the plain meaning of the claim terms.

Claim 19 includes a buyer identification system receiving buyer identification data and generating buyer transfer query data. The library system of Bowers is distinguishable based on the plain meaning of the claim terms, and it is further noted that the constructions implicitly adopted by the Examiner construe different claim terms as having the same meaning.

Claim 20 includes a buyer verification system receiving buyer transfer confirmation data and changing the owner registration data to the buyer identification data. The library system of Bowers is distinguishable based on the plain meaning of the claim terms, and it is further noted that the constructions implicitly adopted by the Examiner construe different claim terms as having the same meaning.

Claim 22 includes a tracking personalization system receiving item data and associating the item data with a personalization database. The library system of Bowers is distinguishable based on the plain meaning of the claim terms, and it is further noted that the constructions implicitly adopted by the Examiner construe different claim terms as having the same meaning.

#### **Rejections under 35 U.S.C. 103(a)**

Bowers in view of Molee fails to present a prima facie basis for the rejection of claims 2 and 3, as they fail to disclose each element of the claimed invention. For example, claim 2 includes a radio frequency identification tag having a unique identifier; a metallic tag having a hologram etched upon a surface; and a peel-away adhesive layer affixed to the radio frequency identification tag and the metallic tag, wherein a portion of the peel-away adhesive layer remains affixed to the item if the authentication device is removed from the item. Molee fails to disclose a peel-away adhesive layer affixed to the radio frequency identification tag and the metallic tag, as alleged by the Examiner. In fact, the terms "RFID," "radio" and "frequency" are not even

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used in Molee. Furthermore, there is simply no motivation to combine Bowers and Molee – the tags used in the library system of Bowers would need to be hidden, so as to prevent patrons from removing and stealing the books that they are attached to.

Claim 3 includes that the radio frequency identification tag is affixed to the peel-away adhesive layer and is separate from the metallic tag, such that the radio frequency identification tag remains affixed to the item if the authentication device is removed from the item. Based on the plain meaning of the claim terms, Bowers in view of Molee fails to disclose the invention of claim 3, even if they are improperly combined.

Bowers in view of Conway fails to present a prima facie basis for the rejection of claim 21, as they fail to disclose each element of the claimed invention. Claim 21 includes an item appraisal system receiving item appraisal data and associating the item appraisal data with item data. The cited section of Conway is simply a cost-tracking system, and is distinguishable from claim 21 based on the plain meaning of the claim terms.

Accordingly, withdrawal of the rejections and allowance of all pending claims is respectfully requested.

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**CONCLUSION**

In view of the foregoing remarks and for various other reasons readily apparent, Applicants submit that all of the claims now present are allowable, and withdrawal of the rejection and a Notice of Allowance are courteously solicited.

If any impediment to the allowance of the claims remains after consideration of this amendment, a telephone interview with the Examiner is hereby requested by the undersigned at (214) 953-5990 so that such issues may be resolved as expeditiously as possible.

No additional fees are believed to be due. The Commissioner is hereby authorized to charge any fees that may be due or credit any refund to Deposit Account No. 10-0096.

Dated: January 29, 2008

Respectfully submitted,

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